- Interest rate not to exceed BPLR for loans upto Rs. 4 lakh and BPLR + 1% for loans above Rs. 4 lakh.
- Margin upto Rs. 4 lakh Nil, 5% margin for studies in India and 15% margin for studies abroad required for loans above Rs. 4 lakh.
- No security is required upto Rs. 4 lakh. Above Rs. 4 lakh and upto Rs. 7.5 lakh collateral in the form of a suitable third party guarantee and above Rs. 7.5 lakh collateral security of suitable value or suitable third party guarantee along with the assignment of future income of the student for payment of instalments.

(b) The target fixed under educational loan scheme by IBA during 2005-06 is 2 lakh fresh loan accounts for an amount of Rs. 3000 crore to be sanctioned.

(c) Bank have been advised to adhere to the guidelines issued by IBA. Complaints received, if any, from the Public/Students are referred to concerned banks for immediate redressal.

Misappropriation of funds earmarked for farmers

†3430. SHRI NAND KISHORE YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the loans given to farmers of Bihar and Uttar Pradesh by district co-operative banks and various finance agencies in States are insufficient to meet the needs of these farmers;

(b) if so, the details thereof;

(c) whether it is also a fact that the employees of the said banks cheat the farmers by misappropriating funds;

(d) if so, the total number of complaints received during the last two years; and

(e) the details of action taken on the said complaints?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The quantum of loan provided to the farmers for production credit is based on the scale of finance fixed by District Level Technical Committee (DLTC) and for investment purposes based on unit cost fixed by National Bank for Agricultural and Rural

†Original notice of the question was received in Hindi.

Development (NABARD). Scale of finance and unit cost have been kept flexible and banks have been given discretion to lend based on the farm level realities, practices and costs so as to ensure adequate credit. Scale of finance and unit cost are periodically reviewed and revised based on the market price of the inputs. The scale of finance and unit cost have been revisited and made realistic to ensure adequacy of credit to farmers. Details of Ground Level Credit by various agencies in Uttar Pradesh and Bihar during the last three years are given as under:—

(Rs. in lakh)

Agency	Uttar Pradesh			Bihar		
	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04
RRBs	95936	135700	173171	9993	15384	20487
Cooperatives	191083	214877	280817	8278	10160	56111
Commercial Banks	273648	267546	356845	52475	46716	65574
TOTAL:	560667	618123	810833	70746	72260	142172

During the statutory inspection of Co-operative banks by NABARD, adequacy of finance extended by banks is looked into and generally found to be in order. However, due to weak financial position of District Central Co-operative banks in Bihar, the Registrar of Co-operative Societies has pegged the individual maximum borrowing power of a farmer under production credit at Rs. 25,000/- which may have resulted in inadequate financing in certain cases.

(c) to (e) As reported by NABARD, no such instances of cheating of farmers in respect of Bihar have been reported. However, in Uttar Pradesh, 3 complaints of RRBs and 1 complaint of Co-operatives have been reported during the year 2003-04 and all have been disposed off as per the procedure laid down. In the year 2004-05, 10 complaints of RRBs and 6 complaints of Co-operative have been reported, out of which 8 cases and 4 cases respectively have been disposed off.

Development of economy

3431. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India has opened up its economy for global capital floors as outlined by the Prime Minister; and